

**Frequently Asked Question**

**Bank Indonesia Regulation No. 13/24/PBI/2011 concerning the Second Amendment to Bank Indonesia Regulation Number 10/36/PBI/2008 concerning Sharia Monetary Operation**

**1. Q What is the background of the issuance of this amendment to the provisions concerning Sharia Monetary Operation?**

A This amendment to the provisions concerning Sharia Monetary Operation is issued in the context of improving the effectiveness of monetary control implementation and compliance with sharia principles in the implementation of transactions, particularly the transactions with second leg, particularly concerning the imposition of sanctions against the sharia monetary operation transaction declared cancelled.

**2. Q What are the amendments made to this Bank Indonesia Regulation?**

A The amended provisions are in Article 18 regulating additional sanctions against the cancellation transaction in the second leg of repo and reverse repo transactions as follows:

- In the event of a cancellation of transaction in the second leg of repo transaction and in the event that the securities price in the second leg transaction is lower than the securities price in the first leg transaction, the Sharia Monetary Operation participant shall be subject additional sanctions in the form of financial penalty in the amount of the difference between the price in the first leg transaction and the price in the

second leg transaction after being multiplied by the nominal value of the securities subject to repo

- In the event of a cancellation of transaction in the second leg of reverse repo transaction and in the event that the market price for Sovereign Securities (SBSN) in the second leg transaction is higher than the price in the first leg transaction, the Sharia Monetary Operation participant shall be subject to additional sanctions in the form of financial penalty in the amount of the difference between the price in the second leg transaction and the price in the first leg transaction after being multiplied by the nominal value of the Sovereign Securities (SBSN) subject to reverse repo.